

AO 91 (Rev. 5/85) Criminal Complaint

United States District Court**SOUTHERN DISTRICT OF FLORIDA****UNITED STATES OF AMERICA****v.****CRIMINAL COMPLAINT****VICTOR VAZQUEZ and
DAVID MARGOLIS**

CASE NUMBER:

07-6076 -
SNOW

I, the undersigned complainant, being duly sworn, state the following is true and correct to the best of my knowledge and belief. From on or about March 14, 2006 through the date of this complaint, in Broward County, in the Southern District of Florida, and elsewhere, the defendants, VICTOR VAZQUEZ and DAVID MARGOLIS, did knowingly, wilfully, and unlawfully combine, conspire, confederate, and agree, with each other and other persons, to defraud the United States by impeding, impairing, obstructing, and defeating the lawful functions of the Office of Foreign Assets Control ("OFAC") in its administration and oversight of the Cuban Assets Control Regulation's restrictions on transactions related to travel to Cuba and (2) to commit an offense against the United States by knowingly and wilfully making materially false, fictitious and fraudulent statements and representations in an application for a religious-travel license submitted to OFAC, in violation of Title 18, United States Code, Section 371.

From on or about April 9, 2006 to on or about April 12, 2006 and again from on or about April 9, 2006 to April 14, 2006, the defendant, VICTOR VAZQUEZ, in a matter within the jurisdiction of an agency of the executive branch of the Government of the United States, did knowingly and wilfully make false, fraudulent, and fictitious statements and representations as to a material fact; in violation of Title 18, United States Code, Section 1001(a)(2).

I further state that I am a Special Agent, United States Department of Homeland Security, Immigration and Customs Enforcement and that this complaint is based on the following facts:

SEE ATTACHED AFFIDAVIT.

Continued on the attached sheet and made a part hereof:

☐ Yes☐ No

Daniel Flores
Special Agent, Department of Homeland Security,
Immigration and Customs Enforcement

Sworn to before me and subscribed in my presence.

February 20, 2007
Date

Luzma S. Snow, United States Magistrate Judge
Name and Title of Judicial Officer

at FORT LAUDERDALE, FLORIDA
City and State


Signature of Judicial Officer

AFFIDAVIT

I, Daniel Flores, hereby depose and state as follows:

Introduction

1. I am a Special Agent with the United States Department of Homeland Security, U.S. Immigration and Customs Enforcement ("ICE"), and have been so employed since September 2002. I investigate federal criminal violations of law, including but not limited to the importation of narcotics into the United States, the laundering of narcotics proceeds, and violations of inbound currency reporting requirements. I am currently assigned to the Bulk Currency Smuggling Task Force, located in Miami, Florida. I have conducted several narcotics and money laundering investigations and have become familiar with the methods utilized by money laundering violators and their co-conspirators. I submit this affidavit based upon my personal knowledge as well as information provided to me by others.

2. The Office of Foreign Assets Control ("OFAC") administers a comprehensive trade embargo against Cuba. Federal law generally prohibits persons subject to the jurisdiction of the United States from engaging in travel to Cuba and related transactions. Travel-related transactions may be authorized only through general or specific licenses issued by OFAC.

3. Pursuant to 31 C.F.R. § 515.566, OFAC issues licenses to religious organizations that allow individuals to travel to Cuba to engage in religious activities under the auspices of the license-holder. Pursuant to the regulation, travel-related transactions under the license "must be for the purpose of engaging, while in Cuba, in a *full-time* program of religious activities" (emphasis added).

4. Generally speaking, in order to travel to Cuba, a person authorized to travel by a religious-travel license holder contacts a travel agency licensed by OFAC to provide travel to Cuba, also known as a Travel Service Provider ("TSP"). The TSP then arranges for the license-holder to travel to Cuba aboard a charter flight operated by a licensed Carrier Service Provider ("CSP").

5. In January 2006, OFAC began an investigation into the possible misuse of religious-travel licenses. Through this investigation, and as set forth more fully below, OFAC has discovered that Victor Vazquez has engaged in a scheme through which he has obtained religious-travel licenses under false pretenses. Vazquez has used the falsely obtained licenses to allow thousands of individuals to travel to Cuba for non-religious purposes. David Margolis and Victor Vazquez obtained a particular license under false pretenses, in the name of Assumption Church of Christ.

6. Through the scheme, certain TSPs have provided individuals wishing to travel to Cuba, but lacking the authority to do so, with both airline tickets and authorization to travel under one of Vazquez's religious-travel licenses, charging each individual hundreds of dollars for the use of the falsely obtained license. These travelers did not intend to travel to Cuba for religious purposes and did not engage in a full-time program of religious activities in Cuba.

7. OFAC's records indicate that between April 2006 and January 2007 alone, over 4,500 travelers used the licenses falsely obtained by Vazquez to travel to Cuba. Information obtained through an undercover agent and confidential informant from a Miami-area travel agency indicates that the agency was selling the right to use the license for \$250 per passenger.

8. This affidavit is submitted in support of a criminal complaint against Victor Vazquez and David Margolis. As such, it is not meant to contain a complete recitation of all facts known about this investigation.

Applications for Religious Travel

9. On or about March 25, 2004, OFAC received an application for a religious-travel license from Victor Vazquez of Winter Garden, Florida. The application requested issuance of a religious-travel license to an entity called "The First Church of Christ," located at 12042 Radbourne Street, Winter Garden, Florida, 33487. In response to the application, OFAC issued license CT-2400 on April 5, 2004, authorizing FCC to engage in Cuba-related travel transactions.

10. In January 2006, OFAC opened an inquiry into possible misuse of license CT-2400. On or about February 1, 2006, OFAC officers contacted Vazquez by phone to discuss license CT-2400. During that conversation, Vazquez claimed he had organized about fifteen trips to Cuba since the license was issued, taking five to fifteen people per trip. In the same conversation, Vazquez stated that he had personally traveled to Cuba an average of fifteen times per year. An OFAC query on travel to Cuba by Vazquez during the two-year duration of license CT-2400, however, revealed that he had traveled to Cuba forty-five different times during this period, averaging two trips a month.

11. License CT-2400 expired on April 15, 2006, before any action was taken by OFAC. No effort to renew the license was made. OFAC did not collect specific license numbers in its database of Cuba travel before April 2006. Accordingly, precise records of travel under license CT-2400 are unavailable. Based upon its investigation, OFAC

estimates that over 2,000 individuals traveled on license CT-2400 between March 2005 and April 2006.

12. On or about March 17, 2006, OFAC received an application for a religious-travel license from Assumption Church of Christ ("ACC"). The application letter is signed by David Margolis. The application letter states that ACC "has 2,954 members and 4 Directors." The letterhead indicates an address of 745 Middle River Drive, Fort Lauderdale, Florida. This address is Margolis's residence. As set forth below, both Vazquez and Margolis later admitted that ACC does not exist.

13. On or about April 9, 2006, Vazquez executed a mailbox service agreement with a UPS Store located at 700 N. Colorado Blvd., Denver, Colorado for rental of mailbox number 344. In the agreement, Vazquez identified his address as 12042 Radbourne Street, Winter Garden, Florida ("the Radbourne Residence"). On the same date, Vazquez executed a Postal Service Form 1583, Application for Delivery of Mail Through Agent, authorizing the UPS Store to receive mail addressed to Outreach Hispanic Ministries ("OHM"). Vazquez requested that the UPS Store forward mail received for OHM to him. Vazquez provided copies of his Florida driver's license and United States passport in support of his application.

14. On the same day, Vazquez also executed mailbox service agreements and Postal Service Form 1583s with UPS Stores in Beaverton, Oregon and Vestavia Hills, Alabama. The Vestavia Hills application opened mailbox 232 at 735 Montgomery Highway, Vestavia Hills, Alabama and authorized receipt of mail addressed to Woodland Church of Christ ("WCC"). The Beaverton application opened box number 131 at 8630

W. Scholls Ferry Road, Beaverton, Oregon and authorized receipt of mail addressed to Interact Faith Ministry ("IFM").

15. On or about April 13, 2006, two days before the expiration of license CT-2400, OFAC received an application for a religious-travel license from IFM. The application is signed by "Marc Andrea Sander." The application letter states that Sander is the pastor of IFM, a church established in Beaverton in 1989 with a congregation of "over 755." The return address on the application matches the mailbox opened at the Oregon UPS Store by Vazquez. Moreover, FedEx tracking information indicates that the application was sent from Fort Lauderdale, Florida rather than Beaverton, Oregon. FedEx records also indicate that shipping costs for the application were paid with a FedEx account number belonging to Kekalani Vazquez, Vazquez's ex-wife who lives at the Radbourne Residence. Investigation by OFAC investigators has revealed neither a church named Interact Faith Ministry nor a pastor named Marc Andrea Sander in Beaverton, Oregon to exist.

16. On or about April 17, 2006, OFAC received an application for a religious-travel license from OHM. The application is signed by "Pastor Henry Escobar," purportedly of Littleton, Colorado. The application letter states that Escobar is one of four "Pastors of record" of OHM, a church founded in April 2000 in Denver with "422 Active Members." The return address on the application letter matches the mailbox opened at the Denver UPS Store by Vazquez. FedEx information indicates that the application was sent from Fort Lauderdale, Florida, rather than Denver, and that shipping costs of the application were paid by the same FedEx account number belonging to Kekalani Vazquez. Investigation by OFAC investigators has revealed neither a church

named Outreach Hispanic Ministries nor a pastor named Henry Escobar in Denver or Littleton, Colorado to exist.

17. On or about April 18, 2006, OFAC received an application for a religious-travel license from WCC. The application is signed by "Pastor Anthony John Mercer." The application letter states that Mercer is the pastor of WCC, a church founded in the Birmingham area in 1989 with a congregation "over 900 strong." The return address on the application letter matches the mailbox opened at the Vestavia Hills UPS Store by Vazquez. FedEx information indicates that the application was sent from Orlando, Florida, rather than Vestavia Hills, Alabama, and that shipping costs of the application were paid by the same FedEx account number belonging to Kekalani Vazquez. Investigation by OFAC investigators has revealed neither a church named Woodland Church of Christ nor a pastor named Anthony John Mercer in the Birmingham area to exist.

18. On or about April 20, 2006, OFAC received an application for a religious-travel license from Church of Life of Ocoee. The application is signed by "Lauren Schiavo," Director of Missions. The letter states, "The Church of Life of Ocoee is located at 2582 S. MaGuire Rd. Ocoee, Florida and was established in 1975." The letter further claims a "congregation of 512 members." The letterhead contains a phone number that Vazquez later admitted to be his. The return address on the application letter and the address of the church set forth in the letter match the address of a UPS Store in Ocoee, Florida. Investigation by OFAC investigators has not revealed a church named Church of Life of Ocoee in Ocoee, Florida to exist.

19. OFAC issued licenses authorizing religious travel to Cuba to ACC, OHM, WCC, and IFM but did not issue a license in response to Church of Life of Ocoee's application. OFAC issued license CT-7671 to OHM on May 4, 2006, license CT-7692 to WCC on May 26, 2006, license CT-7646 to IFM on June 30, 2006, and license CT-7447 to ACC on July 13, 2006.

Travel to Cuba Under the Licenses

20. Thousands of individuals have traveled to Cuba under the auspices of licenses CT-7671, -7692, and -7646. Over the period from April 2006 through January 2007, over 4,500 individuals have traveled under the auspices of these licenses. In December 2006 alone, approximately 1,700 individuals traveled under the auspices of CT-7646 and -7692. The number of travelers is not proportionate to the sizes of the congregations claimed in the license applications. Traveler addresses, as reported by charter services, indicate that extremely few of the travelers reside near the stated locations of the churches under whose license they were traveling. During interviews by Customs and Border Protection ("CBP"), travelers returning to the U.S. after traveling on these licenses admitted that they were not members of the churches named on the license they were using, that they did not obtain the license from the church named, and that they were not traveling for religious purposes.

21. On November 30 and December 1, 2006, OFAC officers, in conjunction with CBP and ICE, inspected charter flights bound for Cuba. As a result of these inspections, OFAC denied travel to twenty-one individuals, twelve of whom were traveling on license CT-7692.

22. One of the flights inspected on December 1, 2006 was a flight to Holguin, Cuba. OFAC denied travel to three of the thirty-five passengers. These three individuals were traveling under the auspices of license CT-7692, and all three had been approved for travel in an email message purporting to be from Pastor Mercer to the charter airline. None of the three individuals indicated that their purpose for traveling to Cuba was a full-time program of religious activities.

Interviews of Vazquez and Margolis

23. On December 13, 2006, OFAC officers, in conjunction with officers of ICE and CBP, conducted interviews of Victor Vazquez and David Margolis at Miami International Airport after both individuals arrived from Havana, Cuba.

24. Both Vazquez and Margolis produced license CT-7447, issued to ACC, as the authority for their travel to Cuba. Each had an authorization letter signed by Margolis, which was printed on the same stock paper (showing clouds over the ocean) as IFM's April 11, 2006 application letter. The two individuals were questioned separately.

25. Margolis admitted that ACC did not actually exist. When asked to elaborate, he stated, "you have me dead to rights," and added that the application was submitted under false pretenses because he wanted to have his own license to travel to Cuba. Margolis acknowledged that Vazquez assisted him with preparing the application.

26. Vazquez was questioned about his travel under other religious licenses and claimed that he knew Pastor Escobar of OHM and Pastor Mercer of WCC. When asked about license CT-7646, issued to IFM, Vazquez claimed that he had no knowledge of the license and did not know the pastor.

27. When confronted with Margolis' statements, Vazquez initially became defensive but ultimately acknowledged that he assisted Margolis in preparing the application and that he knew the church did not exist.

28. Vazquez was asked to provide all of his current telephone numbers. In addition to his home number, Vazquez provided two cellular telephone numbers. One of those numbers matches the phone number listed in the application letter submitted by Church of Life of Ocoee in April 2006.

29. A search of Margolis' baggage identified a hard copy of an email sent to Margolis by Vazquez on October 23, 2006 in which Vazquez instructs Margolis not to use the ACC license because Vazquez wanted that license to be protected.

Travel Agency's Sale of Licenses

30. Super Cuba Travel is a TSP located at 1350 Palm Avenue, C, in Hialeah, Florida. Super Cuba has used OHM, WCC, and IFM's licenses to allow individuals to travel to Cuba. In December 2006 and January 2007 alone, over 400 individuals traveled on tickets issued by Super Cuba under the auspices of licenses CT-7646 (issued to IFM) and CT-7692 (issued to WCC).

31. Shipping records indicate that Vazquez sent several packages to Super Cuba from the Radbourne Residence. Vazquez sent packages to Super Cuba on June 9, June 13, June 15, June 19, July 19, August 16, and August 21, 2006. Labels on the packages sent on June 13 and 15 state, "Ellos viajan el Domingo," or, "They travel on Sunday."

32. On January 26, 2007, an undercover officer ("UC") entered Super Cuba Travel. The UC inquired about traveling to Cuba, stating that he had never been to Cuba, did not have family in Cuba, and did not qualify to travel to Cuba under OFAC

regulations. A Super Cuba travel agent assured the UC that his failure to qualify would not pose a problem and that he could travel on a religious license.

33. On February 9, 2007, the UC returned to Super Cuba Travel accompanied by a confidential informant ("CI"). The UC stated that the CI wanted to travel to Cuba but was not eligible to do so. The travel agent told the UC and the CI that the CI could travel on a religious license. The travel agent then sold the CI a round trip ticket to Cuba and use of a license that would allow him to travel. Super Cuba charged the CI an additional \$250 for use of the license. The travel agent told the CI and the UC that the travel agent could not include the charge for use of the license on the invoice, but nevertheless wrote by hand "\$250 Licence" on the computer-generated invoice. The travel agent told the CI and the UC that she would call when the tickets were available to be picked up.

E-Mail Accounts Associated With the Churches

34. Investigators have associated email addresses with IFM, WCC, and OHM.

35. Information received from the provider of the email accounts indicates that the accounts associated with IFM and WCC were accessed from the same IP addresses at closely related times on numerous dates, suggesting that the accounts are maintained by the same individual(s).

36. Information provided by an Internet service provider indicates that the accounts associated with IFM and WCC have been accessed on multiple occasions from a computer located at the Radbourne Residence through an Internet account issued to Victor Vazquez's ex-wife, who OFAC believes maintains a relationship with Victor Vazquez. Information provided by a second Internet service provider indicates that the

accounts associated with IFM and WCC are exclusively used in 335 S. Biscayne Blvd., the building in which the Biscayne Apartment is located.

37. Public records indicate that PH9/ONE MIAMI EAST, LLC owns the Biscayne Apartment and that David Margolis's son is the manager of PH9/ONE MIAMI EAST, LLC.

38. Records of the One Miami Condominium Association indicate that Victor Vazquez rents the Biscayne Apartment.

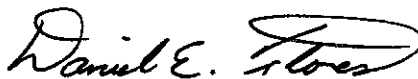
39. Recent surveillance of Victor Vazquez indicates that he often stays at the Biscayne Apartment.

Approval of Passenger Lists

40. As set forth above, TSPs arrange travel for authorized passengers through CSPs, which are also licensed by OFAC. Generally, TSPs send passenger lists to CSPs. CSPs then verify that passengers on the list have been authorized to travel by the holder of the religious-travel license.

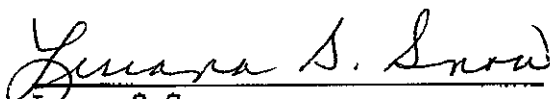
41. Investigators have obtained passenger-list-verification emails between a Miami-area CSP and individuals purporting to act on behalf of OHM and WCC. These emails come from the same email accounts associated with OHM and WCC identified above.

FURTHER AFFIANT SAYETH NAUGHT.



Daniel Flores, Special Agent
Immigration and Customs Enforcement

Sworn to before me this
20th day of February, 2007.



Luarna S. Snow
United States Magistrate Judge

UNITED STATES DISTRICT COURT

Southern

District of

Florida

UNITED STATES OF AMERICA

WARRANT FOR ARREST

vs.

VICTOR VAZQUEZ and
DAVID MARGOLIS,
Defendants.

Case Number:

07-6076-Snow

To: The United States Marshal
and any Authorized United States Officer

YOU ARE HEREBY COMMANDED to arrest

DAVID MARGOLIS

Name

and bring him or her forthwith to the nearest magistrate judge to answer a(n)

☐ Indictment ☐ Information ☒ Complaint ☐ Order of court ☐ Probation Violation ☐ Supervised Release Violation ☐ Violation Notice

charging him or her with (brief description of offense)

conspiracy to defraud and false statements;

in violation of Title 18 United States Code, Section(s) 371 and 1001(a)(2)

LURANA S. SNOW

Name of Issuing Officer

Signature of Issuing Officer

Bail fixed at \$

UNITED STATES MAGISTRATE JUDGE

Title of Issuing Officer

Fort Lauderdale, Florida 2-20-07

Date and Location

Lurana S. Snow

Name of Judicial Officer

RETURN

This warrant was received and executed with the arrest of the above-named defendant(s).

Notified to be a true and
correct copy of the original.

Clarence Maddox, Clerk,
U.S. District Court
Southern District of Florida

DATE RECEIVED

NAME AND TITLE OF ARRESTING OFFICER

SIGNATURE OF ARRESTING OFFICER

Deputy Clerk

DATE OF ARREST

Date

Return must be made on original

UNITED STATES DISTRICT COURT

Southern

District of

Florida

UNITED STATES OF AMERICA

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LURANA S. SNOW

Name of Issuing Officer

Lurana S. Snow
Signature of Issuing Officer

Bail fixed at \$

*Pretrial Detention by
Requested*

UNITED STATES MAGISTRATE JUDGE

Title of Issuing Officer

Fort Lauderdale, Florida 2-20-07

Date and Location

Lurana S. Snow
Lurana S. Snow

Name of Judicial Officer

RETURN

This warrant was received and executed with the arrest of the above-named defendant at

Certified to be a true and correct copy of the original.

Clerence Maddox, Clerk,
U.S. District Court
Southern District of Florida

DATE RECEIVED

NAME AND TITLE OF ARRESTING OFFICER

SIGNATURE OF ARRESTING OFFICER Deputy Clerk

DATE OF ARREST

Date

Return must be made on original

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Misc. No. 07-6076-SNOW

IN THE MATTER OF A
CRIMINAL COMPLAINT

UNDER SEAL

ORDER

This cause is before the court on the government's motion to seal. Being fully advised,

IT IS HEREBY ORDERED that the government's criminal cover sheet, complaint, affidavit in support of complaint, arrest warrants, bond recommendations, motion to seal, and sealing order of this Court in the matter of a criminal complaint shall be sealed and shall remain sealed in the custody of the Clerk of the Court until otherwise ordered by the Court, with the exception of certified copies provided to law enforcement personnel.

IT IS HEREBY ORDERED that law enforcement personnel are excepted from this order.

DONE AND ORDERED at Fort Lauderdale, Florida this 20th day of February, 2007.

Lurana S. Snow
LURANA S. SNOW
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF FLORIDA